

IMPACT OF THE NEW HEALTH REFORM LAW ON YOU

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On March 23, 2010, President Barack Obama signed H.R. 3590, the healthcare reform bill, into law and created the Patient Protection and Affordable Care Act (PPACA). The purpose of this article is to help the public understand various provisions of the new law regarding its benefits and its limitations. This comprehensive overview is a public service provided by the Minority Health Institute and is not intended to cover every single detail. More specific details may be obtained from the sources cited below. Here are the main provisions:

- 1. It is now mandatory for you to have health insurance. If you are not covered, you will be penalized. Penalties will not begin for a few more years. This is the Individual Mandate, and it applies to every man, woman and child who is a citizen of the United States regardless of race, ethnicity, gender, or disability status.**
- 2. You can choose your own private insurance company and plan. This includes keeping what you already have, if you choose to. There is no “Public Option”.**
- 3. Subsidies will be available for those who cannot afford to pay for coverage on their own. A high-risk pool is being organized by the Department of Health and Human Services (DHHS) for such individuals and is promised to be up and running within 90 days.**
- 4. Your Medicare coverage will not be decreased. In fact, certain benefits will be increased, such as closure (by 2020) of the “doughnut hole” which requires increased payment for prescription drugs after a certain deductible is reached. For example, right now seniors pay 25% of drug costs up to \$2,830. After that level has been reached, seniors pay 100% of the costs**

(this is the “doughnut hole”), until they reach \$4,550 (the catastrophic cap), when the payments of drug costs are decreased to 5%. The new law will completely eliminate this costly gap. Prescription drug coverage and preventive benefits will be increased. The financial burden on Medicare beneficiaries will be decreased by slowing the rate of Medicare spending. Waste and fraud in the system are targeted for elimination, which is expected to save billions. A rebate plan is being set up for Medicare beneficiaries who pay too much for their drugs.

- 5. Preventive care procedures will be free with no cost-sharing involved. This includes vaccinations for flu and other disorders, screenings for high blood pressure, etc. So far, mammograms and screenings for cervical cancer are not included in these free services.**
- 6. Low-income persons may enroll into Medicaid, and eligibility will now be determined based on income rather than demographic status. An individual who makes less than \$14,404 or a family of four with income less than \$29,327 (upper limits of the Federal Poverty Level or FPL) would qualify for Medicaid by 2014.**
- 7. You cannot be refused insurance coverage by any company due to pre-existing conditions.**
- 8. The lifetime cap on insurance payments is eliminated, so you will no longer be threatened with the possibility of bankruptcy due to high medical bills.**
- 9. You cannot be dropped retroactively by any insurance company due to frequent need for care or high costs (rescission). Medical underwriting for out-of-program care will be limited. Insurance companies will be strongly regulated and will not be able to raise your premiums arbitrarily. (Recall the recent situation with Wellpoint, the nation’s largest insurer with 33 million lives, which threatened a 39% increase in rates to its clients in California.)**
- 10. If you are an employer and your company has fifty or more employees, you must offer them an insurance benefits plan. Coverage will be on a cost-sharing basis. Employers will receive**

- tax credits for enrolling employees in their plans. If you are an employee and your company does not pay at least 60% of the cost or if the cost exceeds 9.5% of your income, you are eligible to apply for a government subsidy.
- 11. Health insurance exchanges will be established BY 2014 which will allow small businesses and individuals without employer coverage to afford better coverage. This is especially important for individuals who exceed the Federal Poverty Level.**
 - 12. Children may remain on their parents' coverage up to the age of 26 years. This is not limited to children in college.**
 - 13. It is estimated that the Patient Protection and Affordable Care Act signed into law by President Barack Obama on March 23, 2010 will save thousands of lives by broadening access to medical care.**
 - 14. The health reform program is expected to cost \$940 billion over the next decade and to decrease the Federal deficit during the next twenty years by more than \$1trillion, according to estimates from the non-partisan Congressional Budget Office (CBO). It is also estimated that it will save about \$100 billion in the next 10 years. This is a bargain of major proportions.**
 - 15. The major provisions of the law will not go into effect until 2014, when the mandates, penalties, subsidies, etc. will be fully exercised. However, more than 150 new policies have already gone into effect with the signing of the Act into law. This includes most of the regulations on insurance companies mentioned above.**

More information on healthcare reform can be obtained online at www.healthreform.gov, www.whitehouse.gov, www.aarp.org, and www.kff.com. Dr. Williams can also be contacted through the Minority Health Institute at mhinst@aol.com.

IMPACT OF THE AFFORDABLE CARE ACT ON WOMEN'S HEALTH ISSUES

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OVERVIEW OF THE ACA

THE FOUR PRINCIPLE CATEGORIES OF THE ACA

- **1. EXPANDED HEALTH INSURANCE COVERAGE**
- **2. HEALTH INSURANCE REFORM**
- **3. IMPROVED HEALTHCARE DELIVERY**
- **4. CHANGES IN PROVIDER REIMBURSEMENT
POLICY**

PROFILE OF WOMEN ON MEDICAID

- Women make up the majority of Medicaid (MediCal) beneficiaries across the country.
- 69% of all beneficiaries are women.
- Most of these women are poor minorities, e.g., women of color.
- Most are in only fair or poor health.
- More than half (58%) of non-elderly adult women on Medicaid who live in the community have family incomes below the federal poverty level (FPL).
- Most women on Medicaid have lower levels of educational attainment.

INCREASED INSURANCE COVERAGE FOR WOMEN THROUGH MEDICAID EXPANSION UNDER THE ACA

- **1. Eligibility requirements for Medicaid will change: women without children or who are not pregnant will now qualify for coverage. This alone will provide coverage for an additional 10 million women with incomes below 138% of FPL.**
- **2. ACA temporarily raises reimbursement rates for providers who accept Medicaid.**
- **3. Medicaid programs will receive a 1% increase in the federal matching rate for covering certain preventive services and immunizations without cost sharing. Contraceptives are already covered.**

INCREASED COVERAGE (CONT'D)

- **4. Also covered: Tobacco cessation programs for pregnant women; increased nurse midwife support; increased use of birth attendants; increased free-standing birth centers.**
- **5. Women with disabilities will have increased coverage.**
- **6. Low-income seniors who qualify for Supplemental Security Income (SSI) can receive full Medicaid benefits including long-term care (40% financed), nursing home stays, and in-home personal assistance.**

THE HEALTH BENEFIT EXCHANGE CONNECTION

- **COVERED CALIFORNIA is the state's new health insurance marketplace that will open in October 2013.**
- **It will allow uninsured citizens to sign up for MediCal and other health insurance plans and to negotiate for the best rates.**
- **California residents may use the Exchange to determine if they qualify for MediCal or for federally subsidized private coverage. About 2 million of each type of insurees are expected to sign up, saving the state billions of dollars.**
- **The Commission for Women should promote Covered California.**

CONCLUSION

- 1. The ACA provides numerous benefits to women, especially via expansion of Medicaid (MediCal).
- 2. Most of these benefits will be received by 2014, although some are in place now.
- 3. Although not perfect, the ACA promises to improve women's health status over the past situation, and will save money and lives, primarily by promoting wellness, prevention, and improved community health.
- 4. An increase in the healthcare workforce (doctors, nurses, etc.) is necessary to deliver care to a vastly increased number of beneficiaries. The ACA is improving the National Health Service Corps (NHSC) to provide for this contingency.